

EXECUTIVE SUMMARY

The Space and Missiles Systems Center (SMC) at Los Angeles Air Force Base (LAAFB), CA is considering undertaking the conveyance of a large portion of the LAAFB's existing real property to a selected developer in exchange for that developer's build-to-suit completion of new facilities for the Air Force on a portion of the LAAFB remaining property or alternatively on property near the base. The existing properties at LAAFB total approximately 113 acres and are located in El Segundo, Hawthorne and Sun Valley, California. The two properties in El Segundo, referred to as Areas A and B (96 acres) and the Hawthorne holdings, Lawndale Annex, (13 acres) are well located near the junction of Interstates 105 and 405, in a sub market with few large blocks of ground currently available. They offer most promising prospects for long-term growth. The intent is to convey the Area A, Hawthorne, and Sun Valley holdings to a private developer who will build new facilities on/nearby Area B.

The Air Force expects that the selected private developer can generate a significant level of private sector funding toward the cost of consolidating Air Force space at Area B or elsewhere. It is projected that over 2 million SF of private office, hotel, retail space and parking could be built at Area A and Lawndale Annex. These developments could be built at a floor area ratio well below what is permitted by local governments. Hence, if a private developer is able to capture more development, it could be accommodated without breaching local government regulations and could result in greater financial returns to benefit the Air Force in this Systems Acquisition and Management Support (SAMS) complex initiative.

The Air Force expects that by using this approach, and in cooperation with the two local governments affected - the cities of El Segundo (Area A) and Hawthorne (Lawndale Annex) - some of the tax revenues generated by the private developments will be used to support financing mechanisms that could also significantly aid in closing any gap between the cost of providing the Air Force's new facilities and the value of the land conveyed by the Air Force to the selected developer. If there is such a gap, the larger it is, the more difficult it will be to proceed with this transaction. The local governments of El Segundo and Hawthorne are enthusiastic about the positive impact this project will have on their respective communities. Offerors are encouraged to contact the planning offices of both cities.

The Air Force may lease back, for up to ten years, the new facilities in order to finance any gap in the market value of the real property to be conveyed and the new facilities, but the Air Force must be vested with all right and title to the new facilities at the end of the lease period. However, a lease back to the Air Force would be subject to OMB scoring rules and is therefore unattractive from a budget perspective for the Air Force.

The process of selecting a developer consists of three distinct phases. Phase I will allow the selection of those Offerors who demonstrate the highest probability of success. Based on the Phase I Offeror submittals, the Air Force intends to select no more than five fully qualified developers to compete in Phase II. Upon review of Phase I submittals, the Air Force may choose to continue, amend, or cancel this solicitation. Phase II of the selection process constitutes a Business Proposal to the Air Force for the actual execution of the project. The Air Force expects to award the project under Phase II to the selected developer in calendar year 2002. **Although information is provided regarding Phase II requirements (draft), at this time we are only**

EXECUTIVE SUMMARY

requesting submittals for Phase I. Phase III consists of resolution of the project's administrative details and the closing. In no case will the Air Force reimburse Offerors for the cost of submitting a proposal in any Phase.

For Phase II, the source selection strategy for the SAMS Complex project is to use a streamlined, trade-off selection methodology that allows maximum flexibility in proposal development while encouraging innovative solutions. Under this process, the Air Force will consider tradeoffs among cost or price and non-cost factors and may, at its discretion, award to or select other than the lowest priced Offeror or other than the highest technically rated Offeror. The Air Force will determine the best value based on an integrated assessment of technical and financial strategy factors, cost to the Air Force, as well as past performance and proposal risk. However, cost to the Air Force will be the most important evaluation factor.

Issuance of this solicitation initiates Phase I of the multi-phased solicitation approach. **Phase I proposal submittals are due not later than 3:00 p.m. on 10 Sep 01.** Offerors are instructed to refer to Appendix B of the RFP for important notices and proposal instructions. Offerors are cautioned to examine the complete solicitation package including all appendices.

Offerors are advised that the Air Force will not reimburse any proposal preparation costs.

Questions concerning the RFP shall be directed to Ann Justice, Business Representative, (310) 363-0832, or Lt Col Aaron Bridgewater, Program Manager, (310) 363-2481. E-mail address smcxpx@losangeles.af.mil